

hud NEWS

Department of Housing and Urban Development – Mel Martinez, Secretary
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NEW YORK STATE RECEIVES ALMOST \$6 MILLION FROM HUD TO STIMULATE JOBS AND REVITALIZE LOCALITIES

-- Nationwide, 13 other localities receive more than \$50 million in aid --

New York City and Buffalo will receive \$5.9 million in economic aid from the U.S. Department of Housing and Urban Development, part of \$57.4 million in grants and guaranteed loans that HUD is providing nationwide to help revitalize distressed areas and create 2,343 new jobs.

“These timely grants and loans will create more than 2,000 new jobs nationwide and stimulate hundreds of millions more dollars in additional investments,” said HUD Secretary Martinez. “In New York State, our economic development programs have been used successfully in enhancing industry, improving education, and expanding retail and waterfront development.”

The \$57.4 million in funding is in two forms: \$7.8 million in Economic Development Initiative (EDI) grants, which help communities fund activities that create jobs, primarily among lower and moderate income residents; and nearly \$50 million in Section 108 guaranteed loans, which enable communities to borrow money at reduced interest rates to promote economic development, create housing or improve public facilities.

HUD’s EDI grant program, which was established in 1994, helps communities in a number of ways. For example:

New York City will receive \$1,000,000 in EDI grant funds, in conjunction with \$9,000,000 in Section 108 guaranteed loan funds. These funds will finance the construction of the commercial portion of The Ellington, a proposed mixed-use retail and residential development located in Central Harlem on West 116th Street near Malcolm X Boulevard. The project site is a City Urban Renewal Area and falls within the boundaries of the federally designated Upper Manhattan Empowerment Zone.

The projected is expected to create 222 new housing units, construction of 51,000 square feet of retail space and generate **110 new jobs**, primarily for the benefit of low and moderate-income people. Total project costs are \$52,421,747, with other public leverage to be \$5,525,000 and private funds of \$36,896,747.

Buffalo will receive **\$1,000,000** in EDI Grant funds and **\$3,000,000** in Section 108 loan funds for the redevelopment of the Central Park Plaza project located in a distressed neighborhood within Buffalo. Funds will be loaned to the developer, the Buffalo Economic Renaissance Corp. for acquisition, construction and on-site improvements of the 27,000 square foot Central Park Plaza Project.

The project consists of the improvement and remodeling of 47,760 square feet of the existing building area, construction of a new 40,000square foot retail building, demolition of a 153,000 square foot building and the construction of three 60,000 square foot pads for commercial/office development. EDI funds will be used to establish a debt service reserve account to meet operational expenses and debt service obligations during the early development stages of the project. The City projects that at least **261 new jobs** will be created and 362 jobs will be retained. This project is expected to leverage \$2,250,000 in public funds and \$750,000 in private funds. Total project costs are expected to equal \$7,000,000.

In addition to New York City and Buffalo, Martinez announced that funding will go to: Birmingham, AL; Denver City and County, CO; Santa Fe, NM; Los Angeles, CA; Oakland, CA; Sacramento, CA; Vacaville, CA; Delray Beach, FL; Sebring, FL; Asheville, NC; Cumberland County, NJ; and, Dane County, WI;

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